

STATEWIDE ISSUES

This section includes issues that affect multiple departments in various major program areas.

STATE CIVIL SERVICE HUMAN RESOURCES REFORM

The state's civil service system is a cumbersome and difficult system to administer. For the state's more than 215,000 employees, there are more than 4,000 separate job classifications which are duplicative and generally reflect narrow program or department specific desires to tailor job descriptions. The Department of Personnel Administration administers the civil service compensation program and job classifications. The State Personnel Board is responsible for the merit aspects of civil service, including determining eligibility for appointment into civil service positions and for promotions. The two agencies are working collaboratively to create a comprehensive plan to reform how the state brings new employees into civil service, how they are paid, and how they become eligible for promotion once they are working for the state.

One of the goals of this civil service reform is to shorten the timeframe for hiring so people interested in working for the state will know in a week or two whether or not they qualify for a desired job. Another goal is for state departments to have a continuously updated list of appointment-eligible people they can contact to interview for vacancies. The state is also moving toward a system under which all forms of employee compensation will be reviewed periodically to determine the best way to attract new employees and retain existing employees.

In order to ensure that there are sufficient numbers of qualified people to replace retiring employees, the state will need to provide a salary and benefits package that appeals to

the next generation of California workers. The same salary and benefits that attracted the “baby boomers” may not be as attractive to a generation which is more focused on lifetime employability than lifetime employment with a single employer. The traditional lower salary combined with a defined benefit retirement may not entice younger workers to join the state workforce. This civil service reform will standardize the pay scale and attract employees to the state by working to create a competitive and flexible compensation package.

STATEWIDE INTEGRATED FINANCIAL INFORMATION SYSTEM FOR CALIFORNIA (FI\$CAL)

The Budget includes \$6.6 million General Fund to continue planning activities for the Financial Information System for California (FI\$Cal) Project. A partnership of the Department of Finance, the State Controller’s Office, the State Treasurer’s Office and the Department of General Services will prepare the state back office systems and financial management workforce to function in a single statewide financial management system environment. The FI\$Cal Project will also play a major role in succession planning for the changing financial management workforce.

UNALLOCATED REDUCTION

The Budget reduces the amount of General Fund appropriated for employee compensation increases for 2007-08 by \$72 million. This reduction was made to help build a prudent reserve in light of the various uncertainties in revenues and expenditures in 2007-08. With this reduction, \$453.3 million still remains to be allocated to departments for employee compensation increases. The reduced amount available for allocation to departments will not affect pay or benefits for employees. Employees will still receive full pay, but now departments will need to reallocate money within their existing budgets to pay a portion of compensation increases for their employees.